

MARGARET DONNELLAN TODD
COUNTY LIBRARIAN

November 22, 2006

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**AGREEMENT BETWEEN THE COUNTY OF LOS ANGELES AND SIRSIDYNIX FOR
AN INTEGRATED LIBRARY SYSTEM UPGRADE
(ALL SUPERVISORIAL DISTRICTS) (3 VOTES)**

**CIO RECOMMENDATION: (X) APPROVE () APPROVE WITH MODIFICATION
() DISAPPROVE**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and authorize the County Librarian to execute an Agreement with Sirsi Corporation dba Sirsi Dynix (SirsiDynix) in a substantially similar form to the attached Agreement (Attachment I) for an upgrade of the Public Library's existing Integrated Library System (ILS) for a contract term not to exceed seven (7) years with three (3) one year extensions, at County's sole option, with a total maximum County obligation of \$7,771,045.
2. Approve an appropriation adjustment (Attachment II) for the Public Library Accumulated Capital Outlay Fund (J12) to transfer \$2,300,000 from the Fixed Assets – Equipment Appropriation to the Accumulated Capital Outlay Fund (J12) Services & Supplies Appropriation to allow for the purchase of ILS upgrade related computer hardware, payment of implementation and system maintenance costs, and related professional services.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The Public Library's existing legacy Integrated Library System (ILS), owned and installed in 1988 by the predecessor of SirsiDynix, has reached the end of its useful life. The ILS is the Department's core business system that supports a number of essential

functions including the Library's catalog and online reference services, processing of customer requests for library materials, checkout/check-in of library materials, customer service management, acquisition of library materials and customer notifications. In order to maintain these key library services, the Department needs to upgrade the ILS to the current version of the application software. The proposed Agreement will allow the Public Library to migrate the existing system to the current version of the application software and replace obsolete computer hardware and outdated software functionalities. SirsiDynix will provide ILS application software, computer system hardware, implementation services, data subscriptions, system hardware and software maintenance, and disaster recovery services.

Implementation Of Strategic Plan Goals

The recommended action is consistent with the County's Strategic Plan in the areas of service excellence and organizational effectiveness. Implementation of the upgraded ILS will enable the Public Library to provide enhanced online services to our customers and will increase the efficiency and effectiveness of our acquisitions and collection development processes.

FISCAL IMPACT/FINANCING

The maximum County obligation (Contract Sum) over the term of this Agreement, including all optional extension years, is \$7.8 million, which includes approximately \$1.9 million in one time costs for system upgrade and \$5.22 million for maintenance and data subscription services. The Contract Sum also includes an allocation of \$650,000 in pool dollars (approximately 8.6% of the Contract Sum) for future system enhancements and services, including the development of the required eCAPS interface, additional software modules, consulting services, training, data subscriptions, peripheral hardware and incidental travel expenses not to exceed the amounts authorized for County employees. SirsiDynix has agreed to transfer licenses for ILS modules currently used by the Public Library to the most current version of the software at no additional cost, resulting in a cost avoidance of \$904,000.

In addition to this Agreement, the Public Library will be replacing obsolete desktop computer hardware, related peripheral equipment, and upgrading network and central site infrastructure at an estimated cost of \$3.4 million which will be funded from the Library's ACO Budget.

Funding for all costs related to the implementation of the upgraded ILS is included in the Public Library's Accumulated Capital Outlay fund and includes \$2.6 million from accumulated savings for this project and \$4.6 million provided previously by the Board

for this project from the Proposition 62 funds. Provisions will be made in each year's operating budget request to fund the remaining \$4 million for annual system maintenance and data subscription services following implementation of the upgraded ILS.

The Public Library has also submitted a FY 2006-07 budget adjustment (Attachment 2) in the amount of \$2,300,000 for transferring funds from its ACO-Fixed Asset Equipment Appropriation to its ACO-Services & Supplies (S&S) Appropriation. This transfer increases the S&S appropriation account to cover the purchase of hardware, software and professional services needed for the implementation of the ILS.

There is no net county cost impact.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The term of the recommended Agreement shall commence upon Board approval and shall continue for ten (10) years, seven years initially with three one year extensions at County's sole option.

The Agreement contains all the latest Board mandated provisions, including Notice to Employees Regarding the Federal Earned Income Tax Credit, Consideration of GAIN/GROW Program Participants for Employment, Compliance with the Jury Duty Ordinance, the Safely Surrendered Baby Law and the County's Child Support Compliance Program.

The Public Library has determined that the Living Wage program (County Code Chapter 2.201) does not apply to the proposed Agreement. Upon final analysis and consideration of award, SirsiDynix was selected without regard to race, gender, color or creed.

The Agreement also includes all of County's Information Technology (IT) agreement standard terms and conditions, including intellectual property indemnification, performance security, warranties, credits assessment for contractor's failure to timely deliver work or correct deficiencies, and payment withholds. The Agreement's insurance and indemnification terms, including a negotiated limitation of remedies and liability provision limiting either party's liability up to the Contract Sum, received concurrence from the Chief Administrative Office, Risk Management Operations. County Counsel has reviewed and approved the attached Agreement (Attachment I) as to form.

This project is outlined in the Public Library's FY 2006-07 Business Automation Plan (BAP). Upgrading the Department's ILS system is our highest priority information technology project and has been a critical need for several years.

CONTRACTING PROCESS

On October 11, 2006, the Public Library notified the Board of our intent to negotiate this Agreement for the ILS upgrade. We have negotiated the technical terms and conditions of the Agreement with SirsiDynix based on a defined scope of work, with an allocation of pool dollars for future system enhancements and services which may be required by the County during the term of the Agreement. SirsiDynix has agreed to all County required provisions at competitive service fees and prices with fee increase caps, including the County's standard cost of living adjustment (COLA), over the term of the Agreement.

The library automation marketplace has undergone increased stratification and consolidation in the last ten (10) years. As the number of first time buyers dwindled due to market penetration, vendors have sought growth through merging with competitors. The latest and largest merger to date created SirsiDynix in June of 2005 from two competing companies, Sirsi and Dynix. Prior to the merger, these two companies had in turn absorbed several other competitors, including Inlex, Multi-Lis and DRA. As a result, SirsiDynix currently serves the largest customer base (5,282 clients, 23,000 libraries) in the library automation market.

Market segmentation is another characteristic of library automation. Public libraries, especially large multi-branch public libraries serving urban areas, place unique sets of stresses and burdens on the system software and hardware due to their high circulation and large customer usage. Only three vendors have demonstrated the ability to support the Public Library's high transaction volumes with acceptable response times: SirsiDynix, Innovative Interfaces and The Library Corporation (TLC).

Of these three, only SirsiDynix has the unique ability to fully migrate data from the County's existing 18 year old legacy system to a new modern ILS. This is because much of the internal data from library automation (acquisitions records, fund data, statistical history, customer records, etc.) is proprietary to each system developer. Moreover, there are no standards for export and import of this data. SirsiDynix, as the successor corporation to the County's original supplier, has access to these internal formats and can, therefore, successfully convert the existing data to the upgraded SirsiDynix system. The Public Library currently has 2.6 million customer records and 7.8 million library material records on the existing legacy system. Data migration, which

includes data conversion, data cleanup, data mapping and data loading, is of critical importance to the success of this system upgrade. Failure to accurately migrate legacy system data will negatively impact the Public Library's business processes and the ability to provide service to our customers leading to unnecessary expenses associated with ensuing data correction.

Furthermore, of the three competing vendors, SirsiDynix is the only one that offers a disaster recovery service. Specifically, SirsiDynix offers its clients an option to access a remote disaster recovery center configured to operate the client's online system via secure Internet access. Access to remote servers and offsite data storage are key components in the development and maintenance of the Department's required Business Continuity Plan.

The Public Library has been planning for the system upgrade covered by the proposed Agreement for over two years. In May of 2006, your Board approved a contract with a library technology consulting firm, Information Partners, Inc., to assist the Department with the migration project, including the development of functional requirements and a project management plan. The consultant has closely analyzed the Public Library's requirements and has recommended that the upgrade of the existing ILS to the system provided by SirsiDynix provides the best option for ensuring a successful project outcome.

The Chief Information Office concurs that the upgrade of the Public Library's Integrated Library System to the current version of the application provided by SirsiDynix and the execution of this Agreement represent the most prudent action for the County, given the extensive data conversion requirements.

IMPACT ON CURRENT SERVICES

It is imperative that the Public Library proceed with the upgrade of the ILS. There has been an increased frequency of downtime with the central site computer servers which adversely impacts the Department's ability to provide customers with access to online services, place book orders and circulate library materials to our customers.

The upgraded ILS will allow the Public Library to provide enhanced services to our customers, including a Web portal with access to an improved online catalog featuring book/media cover images, excerpts, best seller lists, and reviews; support for podcasts for the provision of services such as downloadable story hours and data feeds which will allow customers to subscribe to online updates on library services and programs; e-mail and voice notification when requested items are ready for pickup; and federated search techniques which allow a customer to check for information in the library catalog and

online databases in one step. These services will be available to customers both in the library and from home via the Internet and will bring the Public Library into the 21st century.

The Public Library's internal operations will also benefit from increased efficiency and effectiveness in its acquisitions and collection development processes and access to management information. The upgraded ILS will provide the Department with a business continuity capability that is not available for the existing version of the system.

When approved, please return four (4) copies of the adopted Board Letter to the Public Library for further processing.

Respectfully submitted,

Reviewed by:


Margaret Donnellan Todd
County Librarian


Jon W. Fullinwider
Chief Information Officer

MDT:JWF:FH:cd

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Attachments

c: Chief Administrative Officer
County Counsel
Chief Information Office

CIO ANALYSIS

AGREEMENT BETWEEN THE COUNTY OF LOS ANGELES AND SIRSIDYNIX FOR AN INTEGRATED LIBRARY SYSTEM UPGRADE (ALL SUPERVISOR DISTRICTS) (3 VOTES)

CIO RECOMMENDATION: ☒ APPROVE ☐ APPROVE WITH MODIFICATION
☐ DISAPPROVE

Contract Type:

☐ New Contract ☐ Contract Amendment ☐ Contract Extension
☐ Sole Source Contract ☐ Hardware Acquisition ☒ Other (Upgrade)

New/Revised Contract Term: Base Term: 7 Years # of Option Yrs 3

Contract Components:

☒ Software ☒ Hardware ☐ Telecommunications
☒ Professional Services

Project Executive Sponsor: Margaret Donnellan Todd, County Librarian

Budget Information :

Y-T-D Contract Expenditures	\$0
Requested Contract Amount	\$7,771,045
Aggregate Contract Amount	\$7,771,045

Project Background:

Yes	No	Question
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Is this project legislatively mandated?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Is this project subvented? If yes, what percentage is offset?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Is this project/application applicable to (shared use or interfaced) other departments? If yes, name the other department(s) involved?

Strategic Alignment:

Yes	No	Question
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Is this project in alignment with the County of Los Angeles Strategic Plan?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Is this project consistent with the currently approved Department Business Automation Plan?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Does the project's technology solution comply with County of Los Angeles IT Directions Document?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Does the project technology solution comply with preferred County of Los Angeles IT Standards?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	This contract and/or project and its milestone deliverables must be entered into the Information Technology Tracking System (ITTS).

Project/Contract Description:

The Public Library is recommending that your Board delegate authority to the County Librarian to execute an Agreement with Sirsi Corporation dba Sirsi Dynix (SirsiDynix) to support the upgrade of the Public Library's existing legacy Integrated Library System (ILS) to the most current version of the application software. Under this proposed Agreement, SirsiDynix will provide ILS application software, computer system hardware, implementation services, data subscriptions, system hardware and software maintenance, and system disaster recovery services. The Agreement term is not to exceed seven (7) years with three (3) one year extensions, at County's sole option, with a total maximum County obligation of \$7,771,045.

Background:

The Public Library is planning to replace its existing legacy library system, which was implemented in 1988 and has reached the end of its useful life, with an upgraded ILS. The current system is the Public Library's core system that supports a number of essential business functions including the Library's catalog, access to online resources, checkout/check-in of library materials to customers, customer service management, acquisition and fund accounting for library material orders, notice production and request processing. The proposed Agreement will enable the Public Library to migrate the existing system to the current version of the application software and replace obsolete computer hardware and operating software.

Project Justification/Benefits:

The Public Library's legacy ILS is obsolete and no longer adequately supports the department's business needs. The upgraded ILS will allow the Public Library to provide expanded services to its customers both in the library and via the Internet using a Web portal. These services include access to an improved online catalog of library resources, support downloadable podcasts, e-mail and voice notification alerts to customers regarding requested items, and federated search techniques to facilitate checking of the library catalog and online databases. In addition, the system will support Public Library's internal operational improvements, including increased efficiency and effectiveness in its acquisitions and collection development processes and access to management information.

The Public Library is seeking Board approval of an Agreement with SirsiDynix for upgraded ILS to mitigate risks associated with the project's data migration requirements (i.e., data conversion, cleansing, mapping, and loading), which are critical to successful system implementation. The existing legacy system currently has 2.6 million customer records and 7.8 million library material records, whose format is proprietary to the system vendor, which is SirsiDynix, who is the successor corporation to the County's original ILS vendor. Moreover, there are no standards for export and import of this data. Only SirsiDynix has access to these internal formats and can, therefore, successfully convert the existing data to the upgraded ILS.

Project Metrics:

The proposed Agreement has defined tasks and deliverables and the payments for County accepted milestone deliverables. This ensures that the County will receive a usable product at each of the milestone deliverables. Ultimately, success is being measured by the successful implementation of software and hardware identified in the Agreement.

Impact On Service Delivery Or Department Operations, If Proposal Is Not Approved:

If this Agreement is not authorized, it will significantly impact the Public Library's ability to successfully implement an upgraded ILS, which will enable service and operational improvements.

Alternatives Considered:

The Department with the assistance of Information Partners, Inc, a library technology consulting firm engaged to help manage the ILS migration, conducted an evaluation of competing products in the library automation marketplace. Only three vendor products were identified as capable of meeting the Public Library's functional and technical requirements. Of these three, only SirsiDynix has the unique ability to successfully migrate data from the legacy system to the modern ILS. The Public Library has concluded that SirsiDynix provides the best option of ensuring a successful project outcome.

Project Risks:

Project management activities are built into a project plan to alleviate potential risks and to build a project plan that maximizes the probability of project success.

Risk Mitigation Measures:

The project will adhere to a project plan that brings together the key planning and control documents and serves as the guide that outlines how key management activities will be carried out to ensure that intended goals are achieved and risks are mitigated.

Financial Analysis:

The contract maximum proposed Agreement is \$7,771,045. The Department indicates they have available appropriation to pay the annual cost of the Agreement.

CIO Concerns:

None.

CIO Recommendations:

We recommend your Board delegate authority to the County Librarian to sign this Agreement.

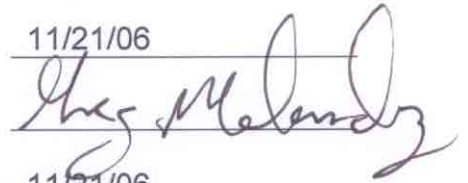
CIO APPROVAL

Date Received: 11/20/06

Prepared by: Greg Melendez

Date: 11/21/06

Approved:

A handwritten signature in dark ink, appearing to read "Greg Melendez", is written over a horizontal line.

Date: 11/21/06